



AT&T  
P.O. Box 430  
Bedminster, NJ 07921-0430

May 7, 2007

Mr./Mrs./Ms. Customer  
1234 Address  
Anywhere USA 00000

Dear Customer Name,

We want to update you on some important and positive changes underway at the new AT&T that may require you to take some action. As you may know, in November 2005, AT&T Corp. and SBC Communications Inc. joined together to form what is today the new AT&T. As a result of this merger, local services for residential customers will be provided by AT&T Arkansas, one of the AT&T family of companies. In an effort to pass the full benefits of this union on to our customers, we are integrating the best of our combined services to provide you with an opportunity to take advantage of exciting new products and services.

Beginning June 11, 2007, your **local residential telephone service provider**, a pre-merger AT&T operating company, will stop providing local residential telephone service in Arkansas. You will need to make a choice as to your new provider. This transition means you have three options to consider:

- **Call AT&T Arkansas to select your new plan** – Take this opportunity to contact an AT&T Arkansas customer care representative who stands ready to answer your questions, assess your current calling plan, and recommend a new plan based on your communications and entertainment needs. Let us tell you how our customized bundles may save you money and simplify your life. Simply call toll free at 1-866-639-6740 by June 3, 2007. There are no costs associated with changing your local provider to AT&T Arkansas.

For your convenience, we have enclosed a list of current AT&T services, applicable rates, terms and conditions. You may be eligible for some customized bundled packages that can include your voice and entertainment needs as well as Cingular Wireless, AT&T Yahoo! High Speed Internet and DISH Network. Best of all, by bundling your services, you may qualify for even greater savings. We also invite you to visit our website, att.com, to view available products and services in your area before calling AT&T Arkansas for your free, personal consultation.

- **You always have the right to select another local telephone service provider** – You are a valued customer and we sincerely hope you will continue to remain with the AT&T family, but you do have the option of selecting another local telephone service provider. If you select another provider, that carrier will be able to provide you with a list of their services and charges. They can also tell you if there are any charges associated with moving to their service. A listing of available local service providers may be found in your AT&T White Pages Directory. If you do want to select another service provider, you should make that selection before June 3, 2007, to avoid automatic transfer of your account to AT&T Arkansas.
- **If you do not choose a new provider you will be automatically transferred to AT&T Arkansas** – You can decide to take no action, in which case we will transfer you automatically to AT&T Arkansas during a transition period from June 11 through June 26, 2007. We will switch you to an AT&T Arkansas service plan that is most comparable to your current telephone service plan (as shown in the attached list). In most cases, upon transfer, your monthly recurring charges will automatically be equal to or less than what you pay now. In cases where your monthly telephone service charges would be higher, you will receive a special transition discount so that you do not see an increase over what you pay now. This special discount will end on or after December 31, 2007. The AT&T Arkansas service plan may also include features or services not included in your current plan. Once you receive your bill, if you have any questions about what's included in your service plan, just contact us at the number provided on the bill. There are no costs associated with this transfer to AT&T Arkansas.

#### Important Information:

- **Long Distance Service**  
If you select a new local service provider, you should contact your current long distance provider to ensure there is no change to your long distance calling plan. Not doing so may result in a change in the rates applied to your long distance calls.
- **Billing, Payments and Refunds**  
Once your service has been transitioned to **AT&T Arkansas or another carrier**, you will receive a final bill from your previous local provider, AT&T Communications of the Southwest, Inc. Please return your final payment via the remittance document provided in your bill. Failure to pay your telephone bill may result in your account being referred to a collection agency.

If you currently have a deposit for your local or long distance service, you will receive a refund of the deposit, including applicable interest, minus any amount due on your account when service is transferred. If a refund is due to you, you should receive it within four to six weeks after receipt of your final bill.

**Additional information if you are automatically transferred to, or choose AT&T Arkansas:**

- **AT&T long distance customers**

*As an AT&T Arkansas local customer who retains AT&T long distance*, you will automatically be enrolled in the AT&T Unlimited Plus Plan, which has a \$32.99 monthly recurring charge and provides unlimited domestic long distance calling, 24 hours per day 7 days a week, along with the AT&T Unlimited Canada Plan, which has a \$5.99 monthly recurring charge and discounted rates to other international countries. Importantly, you also will **receive a \$7.00 monthly credit** on your bill once your service has been established with AT&T Arkansas. You will continue to receive the \$7.00 monthly credit as long as you are enrolled in the AT&T Unlimited Plus calling plan and have AT&T Arkansas as your local provider. We appreciate your business and look forward to continuing to serve you.

- **Frozen or blocked accounts**

You will be transferred automatically to AT&T Arkansas unless an alternate local provider selection is made. Contact AT&T Arkansas toll free at 1-866-639-6740 if you would like to re-establish a freeze/block for your account after the transition period.

- **Reprogramming of calling features**

Once the transition to AT&T Arkansas has been established, you will need to reprogram your Call Forwarding, Speed Dial and other features.

- **Update banking/bill payment information**

If you currently make payments via your bank, on-line bill pay, or credit card, please update your records to reflect your new AT&T Arkansas account information. This will ensure proper payment. Your new billing account information will be your **10 digit billing telephone number plus a three digit customer code** that will appear on your new AT&T Arkansas bill.

If you had signed up for automatic payments with the pre-merger AT&T company, you will need to re-apply for automatic bill payment through AT&T Arkansas once your service is transferred.

- **Questions about new service**

If you have any questions regarding your new service(s), contact AT&T Arkansas toll free at 1-866-639-6740 (7:00am – 9:00pm, Monday-Friday; 8:00 – 5:00pm Saturday).

Once your service has been established with AT&T Arkansas, you will receive a welcome letter confirming your new products and services.

If you have other services not provided by AT&T Communications of the Southwest, Inc. that use your local telephone line, for example an alarm service, you should contact the provider(s) of those services to inform them of the change to your local telephone service provider and determine if any actions are necessary.

If at any time you have questions or complaints regarding this transition, or you want to know how you can take advantage of AT&T's new suite of products and services, we invite you to contact AT&T Arkansas toll free at 1-866-639-6740 (7:00am – 9:00pm Monday-Friday; 8:00 – 5:00pm Saturday). If you have questions regarding your final bill or your existing service please contact the AT&T Customer Care Center at 1-800-288-2747. We hope you will continue to be a part of our new AT&T family, and we look forward to serving you well into the future.

Sincerely,

Customer Care  
AT&T Communications of the Southwest, Inc.

Customer Service  
AT&T Arkansas

Enclosure

## RATES, TERMS AND CONDITIONS OF LOCAL SERVICE

### Rate Conditions

Monthly rates for telephone line charges in the state of Arkansas vary depending on the area in which you live. The Arkansas Public Service Commission approves the company's telephone line rates, which are listed in the Company's tariffs. **All rates and charges are subject to change.**

### Basic Line Services

AT&T Arkansas offers *Measured*, and *Flat Rate* line service. **Rates are based on the number of telephone lines in a specific serving area and do not include taxes; surcharges, municipal fees or FCC approved line charge.** Customers who do not currently subscribe to packages, listed on the chart on the back of this page, will be transferred to the most comparable service from the basic line services described below.

**Measured** service combines a low monthly rate with local usage charges. This service best serves customers who make very few outgoing local calls each month. A local call is defined by tariff as "a communication between telephone stations located within the area defined as the local service area of the station from which the message originates." Measured Service is \$7.95 or \$10.35 per month, depending on the service area. Outgoing local usage is charged based on distance, time of day, day of week, and length of call. An unlimited local usage calling plan is available.

**Flat Rate** service provides you with unlimited local calling. For residential customers, the monthly rates range from \$13.74 to \$17.50 for AT&T Arkansas' touch-tone one-party flat rate service.

Lifeline Telephone Service is also available and provides monthly assistance for low income residential households. Rates vary by area, but for measured rate service, costs per month range from \$5.42 to \$6.51. Flat rate Lifeline service costs from \$8.51 to \$11.86 per month.

### Optional Services

In addition to the basic line service, AT&T Arkansas offers optional calling services. These services are also available in packages for cost savings. The rates for some of these packages and optional services are enclosed with this letter. Or you can contact the AT&T Arkansas customer service center toll-free at 1-866-639-6740 or access our website at att.com for more optional calling services, package availability and prices.

### More information

You may find more information about AT&T services and your rights as a customer in the AT&T White Pages, which you will receive as a new AT&T Arkansas customer. **AT&T Arkansas rates, terms and conditions will apply as of the date your services are transferred. You will be notified by mail of any changes.**

For your convenience, below is a chart that identifies the most common plans provided by your current carrier and the new AT&T local service plan to which you will be automatically transferred, if you make no selection. Just find your current service plan and it will show you the new AT&T service plan. If you are unsure of your current service plan, please refer to your last bill.

### Package List, Pricing, and Features

Current Service Plan	Post Transfer Service Plan	Features & Components	Statewide Price
Call Plan Unlimited 3 Features Enhanced AT&T One Rate® Local Plan AT&T One Rate® State Plan AT&T One Rate® USA II Plan	uSelect(sm) 3  Or  uSelect(sm) Standard	Access Line with unlimited local calling, <b>Caller ID</b> with Name and Number plus two features  Access Line with unlimited local calling, plus four features ( <b>excluding Caller ID</b> )	\$27.00
AT&T One Rate ® Multi-Line Plan	2-Line uSelectsm 3	Access Line, with unlimited local calling, Caller ID with Name and Number plus two features and an Additional Line (no features)	\$38.50
Call Plan Deluxe AT&T One Rate® Advantage Plan AT&T One Rate ® Multi-Line Unlimited Plan** AT&T One Rate ® USA Plan	Select Feature Package  OR  Complete Choice®	Access Line with unlimited local calling plus our 12 most popular features including Call Waiting, Three-Way Calling, Call Forwarding, Speed Calling 8, Call Blocker, Auto Redial, Call Return, Privacy Manager®, Call Waiting ID and Caller ID with Name and Number  Same components as Select Feature Package with Wire Maintenance Plan	\$28.00  \$30.00

If your plan or service is not listed above, please call us for information on other available packages and features at our AT&T Arkansas Customer Service Center toll free at 1-866-639-6740. For a-la-carte or additional features, see tables below.

Feature	Price
Auto Redial *69	\$ 5.99
Auto Redial Pay-Per-Use	\$ 0.75
Call Forwarding 72#	\$ 5.99
Caller ID Name	\$ 7.99
Caller ID Number	\$ 7.99
Call Waiting	\$ 6.00
Caller ID Name & Number	\$ 9.95
Unified Messaging (Voice Mail)	\$11.95
Call Forwarding Busy Line Don't Answer	\$ 1.00
InLine®	\$ 7.00

Feature	Price
Outgoing Call Control	\$ 6.99
PHONE-PROECT ®	\$ 4.99
Privacy Manager®	\$ 6.99
Call Return *66	\$ 6.00
Call Return Pay-Per-Use	\$ 1.99
Speed Calling 8	\$ 5.99
Speed Calling 30	\$ 7.00
Three-Way Calling	\$ 5.99
Three-Way Calling Pay-Per-Use	\$ 1.99
Distinctive Ring	\$ 5.00

\*\* Each line will be priced at \$28 and will have the full selection of features provisioned on it.